

**§ 137.26 Must an Indian Tribe receive a planning or negotiation grant to be eligible to participate in self-governance?**

No, an Indian Tribe may use other resources to meet the planning requirement and to negotiate.

**Subpart D—Self-Governance compact**

**§ 137.30 What is a self-governance compact?**

A self-governance compact is a legally binding and mutually enforceable written agreement that affirms the government-to-government relationship between a Self-Governance Tribe and the United States.

**§ 137.31 What is included in a compact?**

A compact shall include general terms setting forth the government-to-government relationship consistent with the Federal Government's trust responsibility and statutory and treaty obligations to Indian Tribes and such other terms as the parties intend to control from year to year.

**§ 137.32 Is a compact required to participate in self-governance?**

Yes, Tribes must have a compact in order to participate in self-governance.

**§ 137.33 May an Indian Tribe negotiate a funding agreement at the same time it is negotiating a compact?**

Yes, at an Indian Tribe's option, a funding agreement may be negotiated prior to or at the same time as the negotiation of a compact.

**§ 137.34 May a funding agreement be executed without negotiating a compact?**

No, a compact is a separate document from a funding agreement, and the compact must be executed before or at the same time as a funding agreement.

**§ 137.35 What is the term of a self-governance compact?**

Upon approval and execution of a self-governance compact, the compact remains in effect for so long as permitted by Federal law or until termi-

nated by mutual written agreement or retrocession or reassumption of all PSFAs.

**Subpart E—Funding Agreements**

**§ 137.40 What is a funding agreement?**

A funding agreement is a legally binding and mutually enforceable written agreement that identifies the PSFAs that the Self-Governance Tribe will carry out, the funds being transferred from service unit, area and headquarters levels in support of those PSFAs and such other terms as are required or may be agreed upon pursuant to Title V.

**§ 137.41 What PSFAs must be included in a funding agreement?**

At the Self-Governance Tribe's option, all PSFAs identified in and in accordance with section 505(b) of the Act must be included in a funding agreement, subject to section 507(c) of the Act [25 U.S.C. 458aaa-6(c)].

**§ 137.42 What Tribal shares may be included in a funding agreement?**

All Tribal shares identified in sections 505(b)(1) [25 U.S.C. 458aaa-4(b)(1)] and 508(c) of the Act [25 U.S.C. 458aaa-7(c)] may be included in a funding agreement, including Tribal shares of IHS discretionary grants.

**§ 137.43 May a Tribe negotiate and leave funds with IHS for retained services?**

Yes, at the discretion of the Self-Governance Tribe, Tribal shares may be left, in whole or in part, with IHS for certain PSFAs. These shares are referred to as a "retained Tribal shares."

**TERMS IN A FUNDING AGREEMENT**

**§ 137.45 What terms must be included in a funding agreement?**

A funding agreement must include terms required under section 505(d) of the Act [25 U.S.C. 458aaa-4(d)] and provisions regarding mandatory reporting and reassumption pursuant to section 507(a) of the Act [25 U.S.C. 458aaa-6(a)], unless those provisions have been included in a compact.